



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 6, 2001

H.R. 2873 **The Promoting Safe and Stable Families Amendments of 2001**

*As ordered reported by the House Committee on Ways and Means
on October 31, 2001*

SUMMARY

H.R. 2873 would extend the Promoting Safe and Stable Families (PSSF) program through fiscal year 2006. PSSF expired at the end of fiscal year 2001. Relative to current law, extending this program would cost \$305 million each year. However, under the rules governing baseline projections, the costs of extending PSSF and other large entitlement programs are assumed in CBO's estimates of baseline spending. Consequently, enacting H.R. 2873 would have no effect on direct spending relative to the baseline. Nevertheless, pay-as-you-go procedures apply to the bill.

The bill also would authorize discretionary grants for additional spending for PSSF from 2002 through 2006, and would permanently authorize grant programs that would provide mentoring services to children of prisoners and educational and training vouchers for youth leaving foster care. Assuming appropriation of the authorized amounts, CBO estimates that making such grants would cost about \$1.2 billion over the 2002-2006 period and \$2.2 billion from 2002 through 2011.

H.R. 2873 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The grant programs authorized by the bill would require matching commitments, and CBO estimates that state spending to fulfill those requirements would total about \$760 million over the 2002-2006 period.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2873 is shown in the following table. The cost of this legislation falls within budget function 500 (education, training, employment, and social services).

	By Fiscal Year, in Millions of Dollars				
	2002	2003	2004	2005	2006
SPENDING SUBJECT TO APPROPRIATION					
PSSF Discretionary Grants (Section 106) ^a					
Authorization Level	200	200	200	200	200
Estimated Outlays	16	116	166	186	196
Mentoring Children of Prisoners (Section 121)					
Estimated Authorization Level	67	67	69	71	73
Estimated Outlays	5	47	59	68	71
Foster Care, Independent Living Education Vouchers (Section 201)					
Authorization Level	60	60	60	60	60
Estimated Outlays	9	45	60	60	60
Total Authorizations of Appropriations					
Estimated Authorization Level	327	327	329	331	333
Estimated Outlays	30	208	285	314	327
^a . The costs of extending the entitlement program for PSSF at the level of \$305 million per year are assumed in CBO's baseline projection of spending under current law. Thus, reauthorizing PSSF at this level would have no affect on direct spending relative to the baseline.					

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 2873 will be enacted by December 1, 2001, and that the authorized amounts will be appropriated for each year. In estimating outlays of the appropriated amounts, CBO relied on past spending patterns of similar programs.

Direct Spending

H.R. 2873 would extend PSSF grants through 2006 at \$305 million annually. These grants are considered entitlements to states, and are available for services that provide community-based family support, family reunification, and adoption promotion. Although PSSF expired at the end of fiscal year 2001, the costs of the program are assumed in the baseline according to the rules established by the Balanced Budget and Emergency Deficit Control Act. Therefore, extending PSSF at this level would not increase direct spending relative to CBO's baseline projections.

Spending Subject to Appropriation

H.R. 2873 would authorize discretionary grants totaling \$2.3 billion over the 2002-2011 period. Assuming appropriation of the authorized amounts, CBO estimates that enacting this bill would increase discretionary outlays by \$30 million in fiscal year 2002 and by \$2.2 billion over the 2002-2011 period. In addition to the \$305 million in entitlements to states (discussed under the direct spending section of this estimate), H.R. 2873 would authorize the appropriation of \$200 million in each of fiscal years 2002 through 2006 for PSSF grants. The bill would also authorize new grants in the amount of \$67 million for fiscal years 2002 and 2003, and such sums as may be necessary in following fiscal years, for competitive grants aimed at providing mentoring services to children of incarcerated parents. For the purpose of this estimate, CBO has assumed that the authorization for years after 2003 is equal to the 2003 authorization adjusted for inflation. (Without adjustment for inflation, outlays over the 2002-2011 period would be \$0.1 billion less.) Finally, the bill would permanently authorize \$60 million each year for educational and training vouchers that would be made available for youth who become too old to qualify for foster care, and for youth who are adopted from foster care after attaining age 16.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Such procedures apply to H.R. 2873 because it would extend PSSF, a direct spending program. However, because that spending is already included in baseline projections, no additional cost would be recorded for pay-as-you-go purposes.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2873 contains no intergovernmental mandates as defined in UMRA. The bill would extend and expand a number of grants to state, local, and tribal governments, the most significant of which would be grants for promoting safe and stable families. After accounting for amounts reserved for use by the Secretary of Health and Human Services, CBO estimates that federal outlays for grants to tribal governments would total about \$30 million, and for grants to state governments, about \$2.1 billion, over the 2002-2006 period. The grants to tribal governments would have no matching requirements, but the grants to states would require about \$700 million in state matching funds. The bill also would authorize grants to states for educational vouchers to youth who have moved out of the foster care system and who are attending post-secondary schools. CBO estimates that federal grants to states for this purpose would total \$234 million over the 2002-2006 period and that states would provide about \$60 million in matching funds over the same period.

The bill would also authorize grants to public and private entities for mentoring programs that target children who have a parent in prison. State, local, and tribal governments, as well as private entities, could qualify for those grants. Recipients would have to match federal funds with either in-kind or cash support totaling 25 percent of the program's resources in the first two years and 50 percent thereafter.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no private-sector mandates as defined in UMRA.

ESTIMATE PREPARED BY:

Federal Spending: Christina Hawley Sadoti

Impact on State, Local, and Tribal Governments: Leo Lex

Impact on the Private Sector: Ralph Smith

ESTIMATE APPROVED BY:

Robert A. Sunshine

Assistant Director for Budget Analysis